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### **Hyde & Swigart**

411 Camino Del Rio South, Suite 301

Plaintiff,

Defendants.

CACH, LLC and Mandarich Law

San Diego, CA 92108-3551

(619) 233-7770

(619) 297-1022

Steve Odish

Group, LLP

V.

Attorneys for Steve Odish

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# UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA

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San Diego, California 14

HYDE & SWIGART

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Case No: '12CV1710 AJB WMC

**Complaint For Damages** 

**Jury Trial Demanded** 

### Introduction

The United States Congress has found abundant evidence of the use of 1. abusive, deceptive, and unfair debt collection practices by many debt collectors, and has determined that abusive debt collection practices contribute to the number of personal bankruptcies, to marital instability, to the loss of jobs, and to invasions of individual privacy. Congress wrote the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq. (hereinafter "FDCPA"), to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt

- collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses.
- 2. The California legislature has determined that the banking and credit system and grantors of credit to consumers are dependent upon the collection of just and owing debts and that unfair or deceptive collection practices undermine the public confidence that is essential to the continued functioning of the banking and credit system and sound extensions of credit to consumers. The Legislature has further determined that there is a need to ensure that debt collectors exercise this responsibility with fairness, honesty and due regard for the debtor's rights and that debt collectors must be prohibited from engaging in unfair or deceptive acts or practices.
- 3. Steve Odish, (Plaintiff), through Plaintiff's attorneys, brings this action to challenge the actions of CACH, LLC (CACH) and Mandarich Law Group, LLP, (Mandarich), with regard to attempts by Defendants to unlawfully and abusively collect a debt allegedly owed by Plaintiff, and this conduct caused Plaintiff damages.
- 4. Plaintiff makes these allegations on information and belief, with the exception of those allegations that pertain to a plaintiff, or to a plaintiff's counsel, which Plaintiff alleges on personal knowledge.
- 5. While many violations are described below with specificity, this Complaint alleges violations of the statutes cited in their entirety.
- 6. Unless otherwise stated, all the conduct engaged in by Defendants took place in California.
- 7. Any violations by Defendants were knowing, willful, and intentional, and Defendants did not maintain procedures reasonably adapted to avoid any such violation.

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<b>JURISDICTION</b>	AND	VENUE
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- Jurisdiction of this Court arises pursuant to 28 U.S.C. § 1331, 15 U.S.C. § 8. 1692(k), and 28 U.S.C. § 1367 for supplemental state claims.
- 9. This action arises out of Defendants' violations of the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq. ("FDCPA").
- 10. Because Defendants do business within the State of California, personal jurisdiction is established.
- 11. Venue is proper pursuant to 28 U.S.C. § 1391.
- 12. At all times relevant, Defendants conducted business within the State of California.

### **PARTIES**

- Plaintiff is a natural person who resides in the City of San Diego, State of 13. California.
- Defendant CACH is located in the City of Denver, in the State of Colorado. 14.
- Defendant Mandarich is located in the City of Woodland Hills, in the State of 15. California.
- Plaintiff is obligated or allegedly obligated to pay a debt, and is a "consumer" 16. as that term is defined by 15 U.S.C. § 1692a(3).
- Defendants are persons who use an instrumentality of interstate commerce or 17. the mails in a business the principal purpose of which is the collection of debts, or who regularly collect or attempt to collect, directly or indirectly, debts owed or due or asserted to be owed or due another and are therefore debt collectors as that phrase is defined by 15 U.S.C. § 1692a(6).

### **FACTUAL ALLEGATIONS**

Sometime before April 2, 2012, Plaintiff is alleged to have incurred certain 18. financial obligations.

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- 19. These financial obligations were primarily for personal, family or household purposes and are therefore a "debt" as that term is defined by 15 U.S.C. §1692a(5).
- 20. Sometime thereafter, but before April 2, 2012, Plaintiff allegedly fell behind in the payments allegedly owed on the alleged debt which allegedly originated with GE Money Bank. Plaintiff currently takes no position as to the validity of this alleged debt.
- 21. Subsequently, but before April 2, 2012, the alleged debt was assigned, placed, or otherwise transferred, to CACH for collection.
- 22. Subsequently, CACH, a debt collector pursuant to the FDCPA, retained Mandarich, also a debt collector pursuant to the FDCPA, to proceed with legal action against Plaintiff for the collection of Plaintiff's alleged financial obligations.
- 23. Pursuant to the instructions of CACH, Mandarich, in the name of CACH, then filed a state collection lawsuit in the San Diego Superior Court, case number 37,2012-00066473-CL-CL-EC.
- 24. The purpose of both of this case was not to pursue legitimate litigation, but to cause the plaintiff financial hardship with the intend of coercing the plaintiff to settle the action.
- 25. In the state case, CACH and Mandarich brought causes of action for Breach of Contract as well as Common Counts of Account Stated based on an alleged financial obligation.
- 26. None of these causes of action had merit, or evidentiary support, and were brought for the sole purpose of coercing the plaintiff to pay this alleged debt.
- 27. In the state action, CACH and Mandarich stated that an "Account Stated" had previously been entered into between Plaintiff and CACH, LLC., when, in fact, this was not true.

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- 28. In the state action, CACH and Mandarich stated that Plaintiff had entered into an account stated "in writing" when, in fact, CACH and Mandarich knew or should have known that this was untrue, and that no such writing existed. This communication to the plaintiff was a false, deceptive, and misleading statement related to collection of a debt.
- 29. At no time did CACH or Mandarich have any evidence of said "writing," and this false, deceptive, and misleading was made only for the purposes of coercing payment from an unsuspecting consumer.
- 30. At no time did Plaintiff enter into an account stated with anyone regarding either of these accounts.
- 31. In the state action, CACH or Mandarich used a false, deceptive, or misleading representations or means in connection with the collection of a debt, in violation of 15 U.S.C. § 1692e and 15 U.S.C. § 1692e(10) because an action under an account stated requires that parties forgo any previous bona fide contract between the parties and, instead, enter into a new contract between them, which never happened in this matter, a fact that CACH and Mandarich either knew or should have reasonably known
- Plaintiff retained counsel in the state action. 32.
- Discovery commenced in the state action. Documents were requested, but no 33. satisfactory evidence could be produced of an Account Stated or breach of contract.
- 34. On July 10, 2012, Plaintiff had properly noticed the deposition of CACH's Person Most Knowledgeable to answer questions about the friviolous state action.
- 35. CACH appeared through counsel, but instead of allowing CACH's Person Most Knowledgeable testify regarding the alleged account, which CACH had no knowledge of, CACH refused to testify stating on the record, through counsel, that they would be dismissing the state case, "without prejudice."

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- 36. Through this conduct, CACH and Mandarich threatened to take action that cannot legally be taken or that is not intended to be taken, as they only filed the state case in an attempt to coerce a consumer into paying money that he did not otherwise owe. When pushed to give sworn testimony, CACH simply dismissed the action in the consumer's favor, only to reserve the right to refile the action. Consequently, CACH and Mandarich violated 15 U.S.C. § 1692e(5).
- 37. Through this conduct, CACH and Mandarich used an unfair or unconscionable means to collect or attempt to collect any debt. Consequently, CACH and Mandarich violated 15 U.S.C. § 1692f.
- In reality, however, it was never the intent of CACH and Mandarich to 38. proceed to trial, the continued protracted litigation of the state matter was only meant to cause the plaintiff further expenses and coercion.
- 39. By filing and maintaining the state action, CACH and Mandarich threatened to take action that cannot legally be taken or that is not intended to be taken. Consequently, CACH and Mandarich violated 15 U.S.C. § 1692e(5).
- 40. Through this conduct, CACH and Mandarich used an unfair or unconscionable means to collect or attempt to collect any debt. Consequently, CACH and Mandarich violated 15 U.S.C. § 1692f.
- 41. To this day, CACH and Mandarich have provided neither evidence of the original contract that was allegedly breached, nor of a new account stated between CACH, LLC's predecessors and Plaintiff.
- 23 42. In reality, CACH and Mandarich never had any evidence, but stated such facts in the complaint in an effort to collect the alleged debt. 24
  - 43. Through this conduct, CACH and Mandarich used a false, deceptive, or misleading representation or means in connection with the collection of a debt. Consequently, CACH and Mandarich violated 15 U.S.C. § 1692e and 15 U.S.C. § 1692e(10).

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- Through this conduct, CACH and Mandarich used an unfair or 44 unconscionable means to collect or attempt to collect any debt. Consequently, CACH and Mandarich violated 15 U.S.C. § 1692f.
- 45. Neither CACH nor Mandarich ever intended to take the state action to trial, but used the threat of trial as a debt collection tactic to collect the alleged debt from plaintiff through false, deceptive, and misleading means and threats to take action CACH and Mandarich never intended to take.

### **CAUSES OF ACTION**

### COUNT I

# FAIR DEBT COLLECTION PRACTICES ACT (FDCPA) 15 U.S.C. §§ 1692 ET SEQ.

### (APPLIES TO ALL DEFENDANTS)

- Plaintiff repeats, re-alleges, and incorporates by reference, all other 46. paragraphs.
- The foregoing acts and omissions constitute numerous and multiple violations 47. of the FDCPA, including but not limited to each and every one of the abovecited provisions of the FDCPA, 15 U.S.C. § 1692 et seg.
- As a result of each and every violation of the FDCPA, Plaintiff is entitled to 48. any actual damages pursuant to 15 U.S.C. § 1692k(a)(1); statutory damages in an amount up to \$1,000.00 pursuant to 15 U.S.C. § 1692k(a)(2)(A); and, reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k(a)(3) from each and every defendant, jointly and severally.

### PRAYER FOR RELIEF

- WHEREFORE, Plaintiff prays that judgment be entered against Defendant, and Plaintiff be awarded damages from Defendant, as follows:
  - An award of actual damages pursuant to 15 U.S.C. § 1692k(a)(1);

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An award of statutory damages of \$1,000.00 pursuant to 15 U.S.C. § 1692k(a)(2)(A);

•	An award of costs of litigation and reasonable attorney's fees, pursuant
	to 15 U.S.C. § 1692k(a)(3);

49. Pursuant to the seventh amendment to the Constitution of the United States of America, Plaintiff is entitled to, and demands, a trial by jury.

Respectfully submitted,

## **Hyde & Swigart**

Date: July 10, 2012

By: s/Joshua B. Swigart

Joshua B. Swigart

Attorneys for Plaintiff

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SJS 44 (Rev. 12/07)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating

I. (a) PLAINTIFFS			DEFENDANTS CACH, LLC and Mandarich Law Group, LLP		
Steve Odish		CACH, LLC			
(b) County of Residence of First Listed Plaintiff San Diego, CA (EXCEPT IN U.S. PLAINTIFF CASES)		NOTE: I	County of Residence of First Listed Defendant Denver, CO (IN U.S. PLAINTIFF CASES ONLY)  NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.  '12 CV1710 AJB WN		
	e, Address, and Telephone Number)	Attorneys (If Kı	nown)		
Hyde & Swigart 411 Camino Del Rio	South Suite 301, San Diego, CA	92108			
II. BASIS OF JURISI	OICTION (Place an "X" in One Box Only)		OF PRINCIPAL PARTIES		
☐ 1 U.S. Government Plaintiff	3 Federal Question (U.S. Government Not a Party)	(For Diversity Cases Citizen of This State	Sonly)  PTF DEF  1 1 1 Incorporated or Poor Business In Th		
☐ 2 U.S. Government Defendant	☐ 4 Diversity  (Indicate Citizenship of Parties in Item	Citizen of Another State	☐ 2 ☐ 2 Incorporated <i>and</i> of Business In		
		Citizen or Subject of a Foreign Country	□ 3 □ 3 Foreign Nation	□ 6 □ 6	
IV. NATURE OF SUI	T (Place an "X" in One Box Only)  TORTS	FORFEITURE/PENA	ALTY BANKRUPTCY	OTHER STATUTES	
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment	Liability 365 Personal Product Injury Product Liability 375 Property 375 Product Liability 365 Property 375 P	I Injury - alpractice Injury - Liability B Personal roduct I Company ROPERTY aud Lending Trasonal Damage Damage Liability Damage Liability Todo Vacate Todo Vacate Todo Vacate Damage Liability Todo Vacate Todo V	28 USC 157	□ 400 State Reapportionment □ 410 Antitrust □ 430 Banks and Banking □ 450 Commerce □ 460 Deportation □ 470 Racketeer Influenced and Corrupt Organizations □ 480 Consumer Credit □ 490 Cable/Sat TV □ 810 Selective Service □ 850 Securities/Commodities/ Exchange □ 875 Customer Challenge 12 USC 3410 ■ 890 Other Statutory Actions □ 891 Agricultural Acts □ 892 Economic Stabilization Act □ 893 Environmental Matters □ 894 Energy Allocation Act □ 895 Freedom of Information Act □ 900Appeal of Fee Determination Under Equal Access to Justice □ 950 Constitutionality of State Statutes	
▼1 Original □ 2 Re	an "X" in One Box Only) emoved from	Reopened	Transferred from another district (specify)  Transferred from another district (tipecify)  Transferred from another district (tipecify)  Transferred from another district (tipecify)	n Judgment	
VI. CAUSE OF ACTI	ON Brief description of cause: Unfair Debt Collection Prac				
VII. REQUESTED IN COMPLAINT:			CHECK YES only JURY DEMAND	y if demanded in complaint:	
VIII. RELATED CAS IF ANY	E(S) (See instructions): JUDGE		DOCKET NUMBER		
DATE 07/11/2012		e of attorney of record  B. Swigart			
FOR OFFICE USE ONLY					

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#### INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

#### Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

- Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

- Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes U.S. Civil Statute: 47 USC 553
  Brief Description: Unauthorized reception of cable service unless diversity. Example:
- Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. Related Cases. This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.